

REMARKS

Applicant has carefully studied the Office Action of May 4, 2005, and offers the following remarks in response thereto. Applicant appreciates the indication that Applicant's previous arguments were persuasive. Applicant disagrees with the Patent Office's new analysis for the reasons set forth below.

Claims 1-23 were rejected under 35 U.S.C. 103(a) as being unpatentable over Klemba et al. (hereinafter "Klemba"). Applicant respectfully traverses. For the Patent Office to establish obviousness over a single reference, the Patent Office typically must modify the reference in some manner. Before the Patent Office can modify a reference in an obviousness analysis, the Patent Office must do two things. First, the Patent Office must articulate a motivation to modify the reference. Second, the Patent Office must support the articulated motivation with actual evidence. *In re Kotzab*, 217 F.3d 1365, 1370 (Fed. Cir. 2000). It is worth noting that if a modification or combination changes the principle of operation or renders the reference unsuitable for its originally intended purpose, then the modification or combination is considered non-obvious, and an obviousness rejection based thereon is improper. MPEP § 2143.01. Even if the modification is proper, to establish *prima facie* obviousness, the Patent Office must still show where each and every element of the claim is taught or suggested. MPEP § 2143.03.

Applicant initially traverses the rejection because the Patent Office has not supported the articulated motivation to modify Klemba. Specifically, the Patent Office asserts it would be obvious to modify Klemba to contain both the first device type and the cryptographic service provider/second device type all on one body by stating: "It would have been obvious for such modifications because combining processes/circuits onto one device lowers the overall cost and increases processing speed." (Office Action of May 4, 2005, page 4, lines 7-9). This asserted motivation lacks the required evidentiary support. That is, there is no evidence in the record that there exists a desire to lower cost or to increase processing speed. Likewise, there is no evidence in the record that combining processes onto one device increases processing speed. In fact, this assertion is counter-intuitive because if extra functions are added to a processor, it generally slows down the processor. A real world example of this can be seen when someone installs WINDOWS 2000 on a device that previously had WINDOWS 3.1 and has a Pentium I CPU. The extra processes of WINDOWS 2000 run extremely slowly on the device. In any event, the Patent Office has not properly supported its motivation to modify Klemba. Thus, the Patent

Office's asserted motivation is improper. Since the motivation is improper, the modification is improper. Since the modification is improper, the rejection which relies on the modification is improper, and claims 1-23 are allowable at least for this reason.

Applicant further traverses the modification as rendering Klemba unsuitable for its intended purpose. The Patent Office actually proposes a number of modifications in the paragraph spanning from page 3 to page 4 of the Office Action. Applicant addresses each one in turn.

The Patent Office initially opines that the NFC 12 "(being a smart card like device) can contain a substantial amount of storage and would therefore be recognized as a storage device, or first device type. The NFC also has the cryptographic policy, which makes the NFC a cryptographic service provider." (Office Action of May 4, 2005, pp. 3-4). Presumably, the Patent Office infers that the cryptographic service provider is the second device type in this example, although the Patent Office does not explicitly state such. Klemba has a very specific structure in mind that satisfies a particular purpose. For example, Klemba explains at col. 6, lines 47-50 that "the policy [(i.e., NSF 12)] has no access to other data, such as user data that is processed in the cryptographic unit. Thus, the policy does not admit information that could compromise it's [sic] integrity." The Patent Office's modification to treat the policy as a storage device in effect vitiates Klemba's stated purpose of isolating the policy from other data. Furthermore, using the NFC as the cryptographic service provider also compromises the stated purpose. Thus, this proposed modification to Klemba is non-obvious because this proposed modification renders Klemba unsuitable for its intended purpose. Since the proposed modification is non-obvious, the obviousness rejection based thereon is improper. Since the rejection based on this proposed modification is improper, claims 1-23 are allowable for this reason as well.

The Patent Office advances another embodiment wherein the "NFC and CU can be combined into one unit. This would mean that the CU would have card reading abilities, such as a smart card or storage device. The CU would also have cryptographic abilities, such as those provided by the NFC." (Office Action of May 4, 2005, p. 4, lines 1-4). The purpose of Klemba is to have a removable policy, such that the cryptographic unit (CU) does not work in the absence of the policy (NFC). See, for example, Klemba, col. 5, lines 6-9, col. 7, lines 2-5, and col. 6, lines 21-28. If the Patent Office combines the CU and the NFC, then there is no

opportunity for the CU not to work in the absence of the NFC, and the modification vitiates the stated purpose. Since the modification makes Klemba unsuitable for its intended purpose, this modification is likewise non-obvious. Since the modification is non-obvious, the obviousness rejection based thereon is improper. Since the rejection based on this proposed modification is improper, the claims are allowable for this reason as well.

Even if either of the modifications is proper, points which Applicant does not concede, the modified Klemba does not show all the elements of the claimed invention. Since the Patent Office has not shown all the elements of the claimed invention, the Patent Office has not established *prima facie* obviousness. MPEP § 2143.03.

First, claims 1, 13, and 23 all recite that the portable device engages the host computing device. The Patent Office identifies NFC 12 as the portable device. The Patent Office then identifies interaction with the host computing device as being elements 20/28 in Figure 2 or elements 35/36 in Figure 3. Behind these identifications is the fact that computer 16 is the host computing device of the claim. NFC 12 never engages the computer 16, but rather engages the CU 20. In essence, NFC 12 is the "key to a key" wherein the second key is the CU 20. Since NFC 12 never engages the computer 16, the Patent Office has not shown where this element is taught or suggested in the reference. Since the Patent Office has not shown where this element is taught or suggested, the Patent Office has not established *prima facie* obviousness. Since the Patent Office has not established *prima facie* obviousness, claims 1-16 and 23 are allowable for this reason as well.

The Patent Office also premises showing the claimed elements as part of the modification to Klemba, asserting that the card reading functionalities of the CU 20 are one form of device. Applicant traverses this assertion. Klemba's CU 20 does not perform card reading functions. Support for this statement is readily ascertained in Klemba col. 7, line 61-col. 8, line 15, and specifically the three examples set forth in that passage. In the examples, the policy is referred to as a smart card; the policy reader R (i.e., the smart card reader) is described separately from the cryptographic units. Since Klemba distinguishes the policy reader R from the cryptographic units, it is clear that Klemba does not consider the CU 20 to be a card reader or have card reader functionality. To this extent, the second device function set forth by the Patent Office is not shown. Since the Klemba does not show the second device function as set forth by the Patent

Office, the Patent Office has not established *prima facie* obviousness. As this element is recited in each independent claim, claims 1-23 are patentable for this reason as well.

Applicant further traverses the assertion that the NFC 12 is a cryptographic service provider. As explained above, NFC 12 is the policy and is designed to be isolated from all inputs so as to avoid corruption. Since NFC 12 is so isolated, NFC 12 does not act as the cryptographic service provider. Thus, the Patent Office's other proposed analysis of the modified Klemba likewise fails to show an element. Since the Patent Office's other proposed analysis of the modified Klemba fails to show an element, this analysis likewise fails to establish *prima facie* obviousness, and claims 1-23 are allowable for this reason as well.

Applicant preemptively addresses an alternate interpretation that the Patent Office has not yet advanced. Specifically, if the Patent Office decides to interpret CU 20 as the portable device such that it engages the host system 16, then the CU 20 still does not have the dual device format recited in the claims. That is, CU 20 does not act as a first device when connected to the host system and a second device later.

Applicant requests reconsideration of the rejections in light of the remarks presented herein. Applicant earnestly solicits claim allowance at the Examiner's earliest convenience.

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